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SUPREME COURT, U.S.

No. 07-1293

IN THE
Supreme Court of the United States

OLE K. NILSSEN AND GEO FOUNDATION, LTD.,

Petitioners,

v.

OSRAM SYLVANIA, INC. AND
OSRAM SYLVANIA PRODUCTS, INC.,

Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF IN OPPOSITION

BRIAN D. SIEVE, P.C.
KIRKLAND & ELLIS LLP
200 East Randolph Dr.
Chicago, IL 60601

CHRISTOPHER LANDAU, P.C.
Counsel of Record
KIRKLAND & ELLIS LLP
655 Fifteenth St., N.W.
Washington, DC 20005
(202) 879-5000

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CORPORATE DISCLOSURE STATEMENT

Pursuant to this Court's Rule 29.6, respondents state as follows:

Respondent Osram Sylvania Products, Inc. is a wholly owned subsidiary of respondent Osram Sylvania, Inc., which in turn is a wholly owned subsidiary of Siemens Corporation, which in turn is a wholly owned subsidiary of Siemens USA Holdings, Inc., which is a wholly owned subsidiary of Siemens Beteiligungen USA GmbH, which in turn is a wholly owned subsidiary of Siemens AG, a public company. No other publicly held corporation owns 10% or more of either respondent's stock.

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INTRODUCTION

This Court should deny the petition for the simple reason that petitioners are merely challenging the application of settled law to the facts of this case. At issue here is the well-established doctrine of inequitable conduct, which (as this Court recognized more than sixty years ago, *see Precision Instrument Mfg. Co. v. Automotive Maint. Mach. Co.*, 324 U.S. 806, 814-20 (1945)), can render a patent unenforceable. Petitioners argue that the lower courts misapplied that doctrine in this case, and thereby "effectively" changed the law. Pet. 1. But applying settled law in a way that makes a particular litigant unhappy is not the same thing as "effectively" changing the law.

Petitioners thus deploy a parade of horribles, arguing that "the defendant in almost any patent-infringement case is now able to conjure up plausible claims of inequitable conduct," thereby transforming the doctrine of inequitable conduct "into an instrument for producing profound injustice." Pet. 1-2. But that argument is missing a basic logical step: the patents in suit here are not unenforceable merely because respondents "conjure[d] up *plausible* claims of inequitable conduct," *id.* (emphasis added); rather, the patents in suit here are unenforceable because respondents proved by clear and convincing evidence at a six-day bench trial that their four separate and independent claims of inequitable conduct were *meritorious*, and the Federal Circuit affirmed the district court's decision on appeal. No judge dissented from the Federal Circuit panel's decision or the denial of a petition for rehearing *en banc*, and no *amicus* filed a brief supporting petitioner below or in

this Court. Petitioners' assertion that this case works a sea-change in the law of inequitable conduct thus rings hollow.

What is really going on here is that petitioners refuse to accept that they *lost* below on the inherently fact-intensive issues of (1) materiality, (2) intent, and (3) balancing of the equities. Instead, they simply repeat the very arguments that have proved unavailing for them at every stage of this litigation: that this case involves "many small errors"—indeed, mere "technical," "minimal," "trivial," or "inadvertent" mistakes—made by a "*pro se* applicant" who "lack[ed] ... patent-law expertise," and that the remedy of declaring the patents unenforceable is "entirely disproportionate" to the misconduct. Pet. i, 1-3, 12, 16, 31. Essentially, petitioners ask this Court to accept on faith their "spin" on the evidence, even though the district court found otherwise, and the Federal Circuit concluded that the district court's factual findings were not clearly erroneous and the district court's ultimate discretionary balancing was not an abuse of discretion. This case, as the Federal Circuit explained, is not about "technical" or "trivial" errors; rather, this case is about "repeated attempts to avoid playing fair and square with the patent system." Pet. App. 22a. While petitioners may be in denial, they may not relitigate here the bench trial they lost below. Accordingly, this Court should deny the petition.

STATEMENT OF THE CASE

A. Background

Petitioner Ole Nilssen is a sophisticated patentee who makes his living enforcing patents. Fed. Cir.

App. 382. Petitioner Geo Foundation, Ltd. is a Cayman Islands non-profit charitable entity with an exclusive license to Nilssen's patents. Pet. App. 3a.

By his own admission, Nilssen is an expert in the field of patent prosecution, and claims to have prosecuted over 1,000 patent applications. *Id.* at 27a. While he initially employed attorneys to prosecute his applications, he began prosecuting them *pro se* in 1983 because he believed that he understood patent prosecution "far better than any attorney." Fed. Cir. App. 382; Pet. App. 3a. He has carefully studied the Manual of Patent Examining and Procedure ("MPEP") as well as books on patent law. *Id.*; *see also* Fed. Cir. App. 382-83. Indeed, "Nilssen was sufficiently knowledgeable of patent law and practice to cite the [MPEP], patent statutes and regulations, and case law during prosecution of his patent applications." Pet. App. 3a. When it comes to understanding the Patent Act and the nuances of patent prosecution, Nilssen believes he is "better than anyone." Fed. Cir. App. 383.

In an apparent attempt to generate sympathy for his cause, Nilssen claims to be a "visionary inventor" who "invented the first successful configuration of the compact fluorescent lamp," Pet. 3-4, and asserts that any one of his patents are "likely worth hundreds of millions of dollars." *Id.* at 5. But Nilssen provides no record citations for those assertions, which is not surprising because there are none.

B. Proceedings Below

1. The District Court Ruling

Petitioners sued respondents in August 2000, accusing them of infringing hundreds of claims in twenty-six patents. Pet. App. 24a. Respondents asserted an inequitable-conduct defense in their answer to the complaint, and filed a counterclaim seeking a declaration that the asserted patents were unenforceable on inequitable-conduct grounds. *Id.* at 25a.

The district court (Darrah, J.) conducted a six-day bench trial on respondents' inequitable-conduct defense/counterclaim in February 2006. Shortly before the trial began, Nilssen withdrew fifteen of the asserted patents. *Id.* at 24a.

The district court heard testimony from four expert witnesses and three fact witness (including Nilssen himself), received over 400 exhibits into evidence, and reviewed extensive briefing. *Id.* at 25a. On June 28, 2006, the district court issued an opinion (later amended on July 5, 2006), Pet. 24a, in which it repeatedly found Nilssen's testimony "not credible." *E.g.*, Pet. App. 54a, 60a, 61a, 72a, 74a, 75a. The court found that Nilssen engaged in a pervasive pattern of inequitable conduct to obtain and maintain the eleven patents in suit. The court based its conclusion on four separate and independent grounds.

First, the court held that Nilssen was not entitled to, but did, claim small entity status and paid small entity maintenance fees for all eleven patents in suit. *Id.* at 56-63a. The court found that Nilssen made "multiple false declarations and small entity

payments over several years," and that he "acted with intent to mislead." *Id.* at 60a.

Second, the court held that Nilssen made false priority claims to the effective date of March 20, 1978 for seven of the patents in suit. *Id.* at 63-72a. The court held that Nilssen intentionally violated the cross-reference and copendency requirements of Section 120 of the Patent Act, and that the "false claims of priority dates were highly material because they allowed Nilssen to potentially avoid prior art and obtain patent claims to which he would not otherwise be entitled." *Id.* at 69a.

Third, the court found that Nilssen intentionally failed to disclose to the Patent Office his then pending, related litigation against Motorola, in violation of MPEP § 2001.06(c). *Id.* at 72-75a. The court found that Nilssen was obligated to disclose the Motorola litigation in eight of the patents in suit, that he "intended to mislead the PTO by failing to disclose the ongoing Motorola litigation," *id.* at 74a, and that his "failure to disclose ... is so culpable as to render the [eight patents] unenforceable." *Id.* at 74-75a.

Fourth, the court found that Nilssen intentionally failed to disclose material prior art references while prosecuting three of the patents in suit. *Id.* at 75-77a. Petitioners do not address this point in any substantive way in their petition, but instead try to bury it in a footnote. *See* Pet. 11 n.8.

The district court also found that Nilssen committed inequitable conduct in four of the patents he withdrew shortly before trial (bringing the total number of unenforceable patents to fifteen). Respondents asserted that Nilssen committed

inequitable conduct while prosecuting two of the withdrawn patents (U.S. Patent Nos. 4,677,345 and 5,047,690) by submitting misleading affidavits, and that such conduct "infected" and rendered unenforceable two patents in suit. Pet. App. 28-30a, 52-56a. The district court agreed that Nilssen committed inequitable conduct while prosecuting the '345 and '690 patents, but rejected respondents' "infectious unenforceability" theory. *Id.* at 55-56a. Finally, respondents asserted that Nilssen committed inequitable conduct while prosecuting two other withdrawn patents (U.S. Patent Nos. 5,341,067 and 5,189,342) by intentionally failing to disclose material prior art, and that such conduct "infected" and rendered unenforceable four patents in suit. *Id.* at 41-46a, 75-77a. The district court agreed that Nilssen committed inequitable conduct while prosecuting the '067 and '342 patents, but again rejected respondents' "infection" theory. *Id.* at 77a.

2. The Court Of Appeals Decision

A panel of the Federal Circuit unanimously affirmed the district court's judgment of unenforceability in its entirety. *Id.* at 2a. The appellate court explained that it reviews the "district court's ultimate decision on a claim of inequitable conduct for an abuse of discretion and its threshold findings on materiality and intent for clear error." *Id.* at 8a. It then carefully considered and rejected petitioners' challenges to each of the district court's inequitable conduct findings. The court made clear that it was reviewing the district court's findings on each *individual* patent. *Id.* at 8a ("Prior to our review of the individual allegations ...."). The court of appeals summarized its holding as follows:

> this case presents a collection of such problems, which the district court evaluated thoroughly and considered, including making credibility findings, and it concluded that the record and testimony indicated repeated attempts to avoid playing fair and square with the patent system. Mistakes do happen, but inadvertence can carry an applicant only so far. Thus, we cannot find that the court's holding of unenforceability was an abuse of discretion.

Id. at 22-23a.

Petitioners filed a combined petition for rehearing and rehearing *en banc*. That petition was denied, without dissent, on January 16, 2008. *Id.* at 79-80a.

REASON FOR DENYING THE WRIT

The Lower Courts Properly Applied Settled Law To The Facts Of This Case.

The key point here, with which petitioners fail to come to grips, is that they *lost* at a six-day bench trial on the key issues of materiality and intent, and on the balancing of the equities. Their petition for certiorari, like their briefs in the Federal Circuit, simply refuses to accept the district court's adverse findings, and instead insists on characterizing the evidence in the light most favorable to them. As the Federal Circuit recognized, however, an appellate court is not a proper forum for relitigating adverse findings. "Inequitable conduct" is an inherently fact-intensive doctrine. An appellate court reviews the district court's factual findings for clear error, and the court's discretionary balancing of the equities for abuse of discretion. Pet. App. 8-9a. Here, the

Federal Circuit concluded that the district court did not clearly err in finding the facts relevant to materiality and intent, and did not abuse its discretion in balancing the equities, on each of four separate grounds of inequitable conduct. Pet. App. 11-22a. These factbound conclusions do not remotely warrant this Court's review—especially since petitioners do not even challenge one of the four grounds, which applies to three of the eleven patents at issue here. *See* Pet. 11 n.8.

Petitioners, however, try to dress up their objection to the district court's factbound conclusions in legal garb. Thus, they accuse the lower courts in this case of "expan[ding] the inequitable-conduct doctrine ... far beyond its equitable roots" by (1) "watering down the required elements of materiality and intent," and (2) "effectively eliminating any balancing of the equities." Pet. 1. They are wrong on both scores.

A. The District Court Did Not Clearly Err In Finding Materiality And Intent On Each Of Four Separate Grounds Of Inequitable Conduct.

Although petitioners paint with a very broad brush, they cannot ignore the fact that both the district court and the Federal Circuit carefully canvassed each of four separate grounds of inequitable conduct. As to each of the grounds, the district court found both materiality and intent, *see* Pet. App. 63a, 69-77a, and as to each of the grounds, the Federal Circuit concluded that the district court did not thereby commit clear error, *see* Pet. App. 17a, 18a, 20-22a. Contrary to petitioners' assertion, the Federal Circuit most assuredly did not hold that "the

evidence reflected a *pro se* applicant who made a series of *inadvertent* errors that were *not highly material*." Pet. 6 (emphasis added). Rather, as described below, the Federal Circuit affirmed the district court's well-supported factual findings of both materiality and intent.

1. Materiality

Given that materiality is inherently fact-intensive, it is unclear what petitioners mean when they say that this case highlights a "breakdown of any *meaningful* materiality standard." Pet. 19 (emphasis added). Petitioners seem to suggest that inequitable conduct can be material only if a patent would not have issued in the first instance but for the misconduct. *See id.* at 11, 14, 15, 23. But even putting aside the fact that at least some of the misconduct here unquestionably *did* relate to the issuance of patents in the first instance, *see* Pet. App. 75-77a, neither this Court nor any court has ever defined materiality in this context so narrowly.

To the contrary, the Federal Circuit has long recognized that an act or omission can be material even if it does not relate to the issuance of a patent in the first instance. *See, e.g.*, *Purdue Pharma LP v. Endo Pharms. Inc.*, 438 F.3d 1123, 1131-32 (Fed. Cir. 2006); *Digital Control, Inc. v. Charles Mach. Works*, 437 F.3d 1309, 1318 (Fed. Cir. 2006); *Li Second Family L.P. v. Toshiba Corp.*, 231 F.3d 1373, 1379-80 (Fed. Cir. 2000); *Molins PLC v. Textron, Inc.*, 48 F.3d 1172, 1182-83 (Fed. Cir. 1995); *Merck & Co. v. Danbury Pharmacal, Inc.*, 873 F.2d 1418, 1421-22 (Fed. Cir. 1989). That point is not surprising: to rule otherwise would essentially give patent applicants *carte blanche* to play fast and loose with the patent

system, as long as they could argue that their patents would have issued anyway. The law certainly is not, and should not be, structured to reward gamesmanship.

Petitioners seem to think, for example, that their failure to pay maintenance fees by falsely claiming small-entity status is no big deal, because it "had no possible effect on the issuance of the patent," and they paid the deficiency after they were caught. Pet. 36. As the Federal Circuit has explained, however, a false declaration of small-entity status can be material even if it did not affect the *issuance* of the patent in the first instance because it is "material to the PTO's acceptance of reduced maintenance fees, and thus, *survival* of the patent." *Ulead Sys., Inc. v. Lex Computer & Mgmt. Corp.*, 351 F.3d 1139, 1146 (Fed. Cir. 2003) (emphasis added). And obviously, the fact that petitioners paid a deficiency after being caught does not negate "materiality"; the misconduct was material at the time committed, and did not magically cease to be material just because petitioners were forced to rectify the situation after their misconduct was exposed.

Because petitioners cannot, and do not even attempt to, show that the district court's factual findings of materiality are clearly erroneous, they simply insist that their various instances of misconduct "were indisputably immaterial as a matter of *fact* but were treated by the Federal Circuit as material as a matter of *law*." Pet. 14 (emphasis added). That argument is baseless. For one thing, the parties most certainly disputed the materiality of petitioners' misconduct as a factual matter; indeed, that was a major issue at the six-day

bench trial in the district court. And the Federal Circuit did not hold that petitioners' misconduct was "material as a matter of *law*," *id.* (emphasis added); rather, the Federal Circuit held only that petitioners failed to show that the district court clearly erred in finding the misconduct material as a matter of *fact*. *See* Pet. App. 17-18a, 20-22a. Nor is there any basis in the record for petitioners' assertion that "the materiality here, if any, was of the very weakest sort," Pet. 35, and petitioners cannot make that assertion true by simply repeating it over and over again.

2. Intent

Given that intent (like materiality) is inherently fact-intensive, it is unclear what petitioners mean when they say that this case highlights a "collapse in the standard for assessing whether the applicant had the requisite intent to deceive the PTO." Pet. 20. Whether petitioners' misconduct was inadvertent, negligent, or intentional was a key issue at the six-day bench trial below. Petitioners lost on that issue: the district court found that each and every one of the various instances of misconduct at issue was intentional. *See* Pet. App. 61-63a, 70-72a, 74a, 75-76a. The Federal Circuit then held that those findings were not clearly erroneous. *See* Pet. App. 14a, 16a, 18a, 20a, 21-22a.

Undaunted, petitioners continue to challenge those findings in this Court. According to petitioners, "the evidence of intentional misconduct was very thin," and "the evidence of intent at most amounted to evidence of negligence." Pet. 15, 23. Again, this Court is not the proper forum for challenging adverse findings of fact. Petitioners may

not like those findings, but they are not free to ignore them. Nor is it true that "there is inadequate evidence to support an intent finding for any one" of the various instances of inequitable conduct standing alone, Pet. 22; to the contrary, the district court found intent with respect to each and every such instance and the Federal Circuit affirmed each of those findings.

Petitioners are apparently unsatisfied with the manner in which the Federal Circuit conducted its clear-error review of the district court's intent findings. "The Court of Appeals was willing to defer to findings of intent that were based on little more than the district judge's unexplained disbelief of the inventor's plausible claims of unintentional error." Pet. 14. But the district court was certainly entitled to reject, based upon the record developed at the six-day bench trial (including Nilssen's several days of testimony), what petitioners now call "the inventor's plausible claims of unintentional error." *Id.* Indeed, that is the whole point of a bench trial: the trial judge sits as the trier of fact and makes credibility determinations. There was ample evidence for the trial judge to find that petitioners' conduct was intentional, as opposed to innocent or negligent, so the Court of Appeals properly held that the trial judge did not clearly err on this score. That is really the beginning and the end of the matter.

Petitioners insist, however, that they had no "rational motive to deceive," because the patent rights they lost were far more valuable than what they gained by their deception. Pet. i; *see also id.* at 29-30. But the annals of American law are full of tales of wrongdoing that may not have been

"rational": the Speaker of the House who fell from power by cheating on postage, *see United States v. Rostenkowski*, 59 F.3d 1291 (D.C. Cir. 1995), or the multi-millionaire businesswoman who covered up her stock trades on an insider tip, *see United States v. Stewart*, 433 F.3d 273 (2d Cir. 2006). Why people cheat, even when it may not be "rational" for them to do so, is a matter for psychiatrists and ethicists, not lawyers and judges, to debate. Maybe they feel they are unlikely to be caught. Maybe they feel the rules that apply to others do not apply to them. Maybe they are just cheaters. The point here is that respondents proved at a bench trial, by clear and convincing evidence, that petitioners' inequitable conduct was intentional, and petitioners cannot show that the district court's findings on this score are clearly erroneous by simply insisting that it would not have been "rational" for them to cheat.

Petitioners complain that "no *direct* evidence provided real support for a claim of intentional deception." Pet. 29 (emphasis added). But the district court cited contemporaneous letters by Nilssen showing that he intentionally misclaimed priority dates to avoid known prior art, *see* Pet. App. 70-71a, and the Federal Circuit highlighted that evidence in affirming the district court, *id.* at 18a. Moreover, petitioners fail to identify any requirement that intent may be proven only by "direct" evidence. Precisely because malefactors do not always leave behind a "smoking gun" to evince their wrongdoing, the general rule is that intent may be inferred from circumstantial evidence. *See, e.g., Dippin' Dots, Inc. v. Mosey*, 476 F.3d 1337, 1345 (Fed. Cir. 2007); *Bruno Indep. Living Aids, Inc. v. Acorn Mobility Servs., Ltd.*, 394 F.3d 1348, 1354

(Fed. Cir. 2005). Petitioners offer no reason why that general rule should not apply in this context.

Petitioners also make much of the Federal Circuit's observation that "[e]ach of the issues on which the district court found inequitable conduct generated defenses by Nilssen that were not per se unreasonable," Pet. App. 22a, as if to suggest that "the appellate court had to rely on the 'collection' of problems spanning multiple patents ... to support intent findings infecting all the patents," Pet. 30; *see also id.* at 1 ("[T]he Federal Circuit relied on a collection of errors."); *id.* at 35 ("[The Federal Circuit] upheld the District Court's intent findings only because there was a 'collection' of errors."). But that is an outright distortion of the decision below. To say, as did the Federal Circuit, that petitioners' arguments in response to the various charges of inequitable conduct at issue here "were *not per se unreasonable*," Pet. App. 22a (emphasis added), is not the same as saying that those arguments were *meritorious*. To the contrary, the Federal Circuit affirmed each of the separate findings of inequitable conduct on its own. *See* Pet. App. 11-22a. The Federal Circuit never suggested that its ruling on any one of the grounds of inequitable conduct depended on its ruling on any one of the others, and thus never "adopted" a "'mosaic' theory." Pet. 31. The district court below actually *rejected* respondents' argument based on the doctrine of "infectious unenforceability," Pet. App. 56a, 77a, and the Federal Circuit did not disturb that ruling.

Indeed, petitioners ultimately concede—as they must—that the Federal Circuit has squarely rejected the suggestion that negligence, rather than intent, is

sufficient to justify a finding of inequitable conduct. *See* Pet. 20 (citing *Kingsdown Med. Consultants, Ltd. v. Hollister Inc.*, 863 F.2d 867, 876 (Fed. Cir. 1988)). Petitioners complain, however, that the Federal Circuit has "chipped away" at *Kingsdown*, and "[t]oday, the legal standard purports to require intent but in fact requires little more than negligence." Pet. 21. Again, petitioners simply refuse to accept the fact that the district court here made specific factual findings of intent, and the Federal Circuit merely held that those findings were not clearly erroneous. Much as petitioners would like to dress up this issue as purely legal, it is essentially factual. They lost on the intent issue at trial. Trials have consequences, and one of those consequences is that appellate panels review factual findings deferentially.

B. The District Court Did Not Abuse Its Discretion In Balancing The Equities On Each Of Four Separate Grounds Of Inequitable Conduct.

Petitioners next assert that the district court held the patents at issue here unenforceable "without a weighing of the equities." Pet. i. That assertion is demonstrably incorrect: the district court below recited the correct legal standard, Pet. App. 48a, and *did* balance the equities. *See, e.g., id.* 72a ("Nilssen's false claims of priority dates render Nilssen's repeated misconduct so culpable as to render the '409, '160, '386, '043, '637, '680, and '681 Patents unenforceable"). The district court simply decided that the equities cut in favor of respondents, not petitioners. While petitioners may not like the *result*

of the district court's balancing, they cannot pretend that it never happened.

Indeed, petitioners themselves recognize this point by complaining that "the District Court made only *boilerplate* findings" in balancing the equities, and "the Federal Circuit saw no flaw in this approach." Pet. 12 (emphasis added). But this is yet another example of their propensity to call any application of the law that they do not like an "effective" change in the law. Indeed, they make this point explicitly, asserting that this case reveals an "*effective* elimination of ... the weighing of the equities." Pet. 14 (emphasis added); *see also id.* at 15 ("[A]n equitable balancing test has *effectively* hardened into a categorical rule.") (emphasis added). According to petitioners, "[t]he Federal Circuit maintains that this final step still exists, but in its current form it has no meaning." Pet. 15; *see also id.* at 32 ("[T]hat requirement is close to a dead letter in practice.").

Again, this all boils down to a case-specific challenge to the district court's balancing of the equities, and the Federal Circuit's conclusion that the district court did not thereby abuse its discretion. It is hard to imagine a more fact-intensive issue than this one, and petitioners' suggestion that the Federal Circuit has "effectively" eliminated any balancing of the equities is baseless.

In essence, petitioners' complaint that "[t]he Federal Circuit has abandoned any attempt to *seriously* review this exercise of discretion," Pet. 32 (emphasis added), is a complaint about the abuse-of-discretion standard generally. Many an appellant aggrieved by a discretionary ruling, like a balancing

of the equities or an evidentiary ruling, wishes that the standard for appellate review of such rulings was more searching, but the nature of a discretionary inquiry makes it unsuited for searching appellate review. Thus, petitioners' observation that "[a]s far as we are aware, the Federal Circuit has *never* relied on the balancing of the equities to reverse a grant of unenforceability based on inequitable conduct," Pet. 32-33, does not suggest (as petitioners apparently believe) that the Federal Circuit has "effectively" abolished such balancing; rather, it simply suggests that the Federal Circuit is properly applying a deferential standard of appellate review.

Petitioners ask this Court to force the Federal Circuit to apply a more searching standard of appellate review, as this Court itself has done "in assessing punitive damages under the Due Process Clause, punishments under the Excessive Fines Clause, and sentences under the Cruel and Unusual Punishments Clause." Pet. 33 (internal citations omitted). But the analogy is unsound. In each of the situations described by petitioners, this Court was assessing *de novo* whether a federal constitutional violation occurred; it was not reviewing a district court's discretionary decision. Thus, in each of the situations described by petitioners, this Court set forth guidelines for the lower courts to follow in deciding a particular constitutional question. It is neither necessary nor appropriate for this Court to set forth similar guidelines for federal appellate courts to follow in applying abuse-of-discretion review. Such courts are perfectly capable of applying the abuse-of-discretion standard on their own, and indeed do so every day in a wide variety of contexts.

Petitioners' efforts to discredit the balancing of the equities here by casting themselves as the victims and respondents as the villains are equally unavailing. As an initial matter, it should not be forgotten that petitioners brought this patent infringement litigation in the first place, affirmatively brandishing their patents as a sword against respondents. Although petitioners fault respondents for defending themselves by "dredg[ing] up every conceivable misstep that Nilssen had made in prosecuting a large number of patents," Pet. 6, respondents proved by clear and convincing evidence that these so-called "misstep[s]" were both material and intentional. This is not, in short, a case where respondents "flyspeck[ed] ... patent portfolios to find *minute* errors that *can be asserted* to be willful," Pet. 38 (emphasis added); instead, it is a case where respondents successfully fended off infringement charges by proving inequitable conduct by clear and convincing evidence.

Thus, contrary to petitioners' dire prediction that this case will create "a trap for the unwary patentee," Pet. 14, "unwary" patentees have no reason to worry. Proving inequitable conduct remains a daunting task, and courts have ample means to discipline any party that invokes the doctrine without a reasonable legal or factual basis. There is simply no basis for petitioners' prediction that this case will "shift[] the focus of the typical patent-infringement case away from the merits of the claim to an exhaustive search for technical omissions or misstatements in the prosecution history." Pet. i. "[T]echnical" omissions or misstatements, after all, will not render a patent unenforceable.

In the final analysis, there can be little doubt about petitioners' real goal here. Although they accuse the Federal Circuit of "expan[ding] ... the inequitable-conduct doctrine," Pet. 1, what they really want is for this Court to radically narrow, or even abolish, that doctrine. Thus, they argue that "the PTO is more than capable of prescribing sanctions for technical breaches of the type at issue here," and "[t]he Federal Circuit potentially could do so as well." Pet. 34. In petitioners' view, the sanction of holding a patent unenforceable is simply too severe. *See id.* at 34-35; *see also id.* at 22-23. But Congress has long since acquiesced in the existence of the inequitable-conduct doctrine, and Congress is in the best position to weigh the various policy arguments as to whether that venerable doctrine should be abolished or substantially overhauled. This case certainly does not provide an appropriate vehicle for this Court to take such a momentous step, especially since petitioners cannot even bring themselves to admit that they are asking for it.

CONCLUSION

For the foregoing reasons, this Court should deny the petition for writ of certiorari.

May 16, 2008

Respectfully submitted,

BRIAN D. SIEVE, P.C.
KIRKLAND & ELLIS LLP
200 East Randolph Dr.
Chicago, IL 60601

CHRISTOPHER LANDAU, P.C.
Counsel of Record
KIRKLAND & ELLIS LLP
655 Fifteenth St., N.W.
Washington, DC 20005
(202) 879-5000